GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:5656
ANSWERED ON:30.04.2003
CLOSURE OF SSI UNITS IN CHHATTISGARH, MADHYA PRADESH
VISHNU DEO SAI

Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) the number of small scale units lying closed in Chhattisgarh and Madhya Pradesh as on March 31, 2003 and since when.

(b) the extent of capital investment in such units and the number of people employed in them; and

(c) the details of action taken by the Union and State Governments to revive them?

Answer

MINISTER OF STATE FOR SMALL SCALE INDUSTRIES AND DEVELOPMENT OF NORTH-EASTERN REGION (SHRI PAWAN SINGH GHATOWAR)

(a) & (b): The information on closed units is not maintained centrally. However, as per the sample survey of registered Small Scale Industrial (SSI) units conducted during 2000-01 in respectof units registered upto 31.03.1998 it was estimated that 29% of the SSI units were closed in the country. Besides, the Reserve Bank of India (RBI) compiles data on sick SSI units financed by the scheduled commercial banks. As per the latest information available with the RBI, the number of sick SSI units in the States of Chhattisgarh and Madhya Pradesh as at the end of March, 2002 is64 and 6964 and the amount outstanding with these units is Rs. 4.31 crore and Rs. 152.00 crore, respectively. Data on the number of people employed in these units are not maintained centrally.

(c): Government is fully seized of the incidence of industrial sickness among SSI units and has taken various measures tofacilitate timely identification and rehabilitation of potentially viable sick units. Some specific measures for tackling sickness are as under :-

1. RBI has issued detailed revised guidelines to banks on 16thJanuary, 2002 for detection of sickness at an early stage and taking remedial measures for rehabilitation of sick SSI unitsidentified as potentially viable. The revised guidelines include criteria for identifying sick units as per revised definition.

2. Setting up of Institutional mechanisms in the form of State-level Inter-Institutional Committees (SLIICs) for timely identification and rehabilitation of potentially viable units.

3. Special rehabilitation cells in banks and State financial institutions.

4. Elaborate guidelines issued by the Reserve Bank of India for extending rehabilitation assistance to eligible units.

5. A One-time Settlement formula (Samadhan Scheme) upto loan ofRs. 5 crore was announced by RBI on July 27, 2000 for one time settlement of dues.

6. RBI has announced another One-time Settlement scheme upto Rs. 10 crore on 29th January, 2003.